

TALIHINA CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

TALIHINA CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2013

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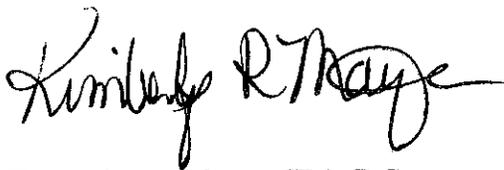
Accountant's Compilation Report

Board of Directors
Talihina Conservation District

We have compiled the accompanying financial statements of the Talihina Conservation District as of and for the year ended June 30, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
August 31, 2013

FINANCIAL STATEMENTS

AND

NOTES

TALIHINA CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2013

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 7,713
Property and equipment (Net of accumulated depreciation) (Note 5)	<u>13,665</u>
Total Assets	<u><u>\$ 21,378</u></u>

LIABILITIES AND NET POSITION

Liabilities:		\$
Net Position:		
Net investment in capital assets	13,665	
Unrestricted	<u>7,713</u>	
Total Net Position	<u>21,378</u>	
Total Liabilities and Net Position	<u><u>\$ 21,378</u></u>	

TALIHINA CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2013

Revenues:	
OCC reimbursements	\$ 77,024
Tree sales	1,014
Equipment rental	1,570
Custom work	8,008
Donations	295
Soil tests	578
Total Operating Revenues	88,489
Expenses:	
Salaries	65,875
Payroll taxes and employee benefits	4,560
Soil tests	477
Conservation education	521
Office supplies and postage	1,187
Insurance and bonds	2,219
Meetings and travel	990
Professional fees	660
Tree costs	757
Equipment repairs, fuel and supplies	2,803
Dues and memberships	150
Utilities and telephone	3,876
Outside classroom expenses	903
Director fees	1,325
Depreciation expense	2,530
Other expenses	210
Total Operating Expenses	89,043
Operating Income (Loss)	(554)
Nonoperating Revenues (Expenses):	
Interest income	7
Interest expense	(19)
Total Nonoperating Revenue (Expenses)	(12)
Changes in net position	(566)
Net position at beginning of year	21,944
Net position at end of year	\$ 21,378

See accountant's compilation report and notes.

TALIHINA CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2013

Cash flows From Operating Activities:	
Cash received from customers	\$ 11,170
Other operating cash receipts	77,319
Cash payments to suppliers for goods and services	(20,638)
Cash payments to employees	(66,894)
Net cash provided (used) by operating activities	<u>957</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Loan proceeds	
Principle payments	(923)
Interest payments	(19)
Net cash provided (used) by financing activities	<u>(942)</u>
Cash flows from investing activities:	
Sale of equipment	
Interest income	7
Net cash provided (used) by investing activities	<u>7</u>
Net increase (decrease) in cash and cash equivalents	22
Beginning cash and cash equivalents	7,691
Ending cash and cash equivalents	<u>\$ 7,713</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	(554)
Depreciation	2,530
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Increase (decrease) in payroll taxes due	(1,019)
Net cash provided (used) by operating activities	<u>\$ 957</u>

See accountant's compilation report and notes.

TALIHINA CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Talihina Conservation District was created under Title 27A, Sections 3-1-101 through 3-3-410, as amended, of the laws of the State of Oklahoma. The purpose of the District is to provide for the conservation of the renewable natural resources in the area for which the District is responsible.

Basis of Accounting

The District prepares its financial statements using the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of assets, liabilities and net position. Net investments in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

NOTE 2 – CASH AND DEPOSITS:

Bank balances are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2013 were fully insured.

NOTE 3 – INVESTMENTS:

The State of Oklahoma allows government entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities, collateralized or insured certificates of deposit, insured savings accounts or savings certificates, or county, municipal or school district direct debt.

TALIHINA CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 4 – CASH AND CASH EQUIVALENTS:

The District considers all checking accounts and deposits with a maturity of three months or less to be cash equivalents.

NOTE 5 – PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2013 was \$2,530. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/13</u>
Buildings	\$ 35,000	\$	\$	\$ 35,000
Office equipment	3,847		(2,710)	1,137
Machinery and equipment	63,185			63,185
Vehicles	6,000			6,000
	<u>108,032</u>		<u>(2,710)</u>	<u>105,322</u>
Accumulated depreciation	(91,837)	(2,530)	2,710	(91,657)
Net	<u>\$ 16,195</u>	<u>\$ (2,530)</u>	<u>\$</u>	<u>\$ 13,665</u>

NOTE 6 – OCC REIMBURSEMENTS:

The District is reimbursed by the Oklahoma Conservation Commission for salaries, payroll taxes, mileage, telephone charges, office supplies, and certain other office expenses. When received, such reimbursements are recognized as revenues.

NOTE 7 – RETIREMENT PLAN:

Oklahoma public employees who work 1,599 hours or more per year were enrolled in the Oklahoma Public Employees Retirement System. On salaries paid from reimbursable funds from the Oklahoma Conservation Commission the employers 16½ % share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 16½% of locally earned wages and 3 ½% of state reimbursable wages.

TALIHINA CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 8 - FAIR VALUE OF INSTRUMENTS:

The District's financial instruments include cash and cash equivalents. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.

NOTE 9 -- ESTIMATES:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 10 -- RISK MANAGEMENT:

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District manages this risk through the purchase of commercial insurance policies. Claims are recognized when it is probable that a loss has occurred and the amount of loss can be reasonable estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 11 -- CONTINGENCIES:

As of June 30, 2013 the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.